

December 16, 1997

Andrew H. Wilson, Esquire  
Wilson Campilongo, LLP  
115 Sansome Street, Suite 400  
San Francisco, CA 94104

Re: Armstrong v. Miscavige, et al.  
USDC for the District of Nevada  
No. CV-N-97-670-ECR (RAM)

Dear Mr. Wilson:

I write in response to three comments made by you in your letter of December 12.

1. You write that "Filing this action in Nevada is a transparent attempt to avail [my] client of the benefits of Nevada's statute of limitation for defamation."

Filing this action in Nevada has nothing to do with statutes of limitation. It has to do with Mr. Armstrong's residence. You will recall that in my February 12 and 14, 1997 letter, to which you responded on February 25, I offered your clients the opportunity to correct the defamatory statements in the 1993 black PR publication and the 1996 Cathy Norman letter. You will see in my letter the statement: "If an understanding cannot be reached, and correction of this situation cannot be achieved, Mr. Armstrong is prepared to file a lawsuit for, inter alia, defamation, intentional infliction of emotional distress...." Since your clients chose to attack me and Mr. Armstrong rather than correct the situation, I filed the complaint on his behalf. It is clear that if anyone actually needed a "transparent attempt" to avail himself of the Nevada statutes, he would not have written a letter like mine of February 12 and 14.

Mr. Armstrong left California early this year because of threats from the Scientology organization and his need to have some measure of safety from those threats. Because his movements since leaving California have been brought about by their own unlawful actions, Scientology's principles and agents have no legal or moral basis for complaining about where he resides. He has been for some considerable time a resident of Nevada. *principles*

2. You write: "[The Armstrong IV] cross-complaint is based on facts virtually identical to those asserted in your complaint, and was disposed of on summary adjudication, thus barring future assertion of any claims arising out of the same set of facts under the principals (sic) of res judicata and collateral estoppel with which I assume you are familiar."

As you know, Mr. Armstrong received your clients' defamatory documents in late November, 1996, and these documents were disseminated by your clients only a little more than a month earlier. The cross-complaint was filed some years earlier. The principles of res judicata and collateral estoppel are therefore inapplicable. If, however, you have some facts to support your assertion that these principles do apply in this defamation case I am interested in examining them.

3. You write that you offer me and my client "the opportunity to voluntarily dismiss the action without fear of facing a motion..."

I understand by this, and by the rest of your letter, that you have accepted service of the summons and complaint on behalf of the six named defendants: David Miscavige, RTC, CSI, Sea Org, CS Texas and Cathy Norman. Is this correct?

*Assuming ~~my~~ this understanding is correct,*

~~Finally~~, I am enclosing herewith a copy of the Minutes of the Court from December 2, 1997 ordering this action reassigned to the Honorable Edward C. Reed, Jr., and changing the case number to CV-N-97-670-ECR (RAM).